

**VIRGINIA FAITH-BASED AND COMMUNITY INITIATIVE  
ORGANIZATIONAL CAPACITY ASSESSMENT TOOL**

Capacity Rating	LEADERSHIP DEVELOPMENT	ORGANIZATIONAL DEVELOPMENT	PROGRAMS/SERVICES	FUNDING	COMMUNITY ENGAGEMENT
<b>NEED TO INCREASE CAPACITY</b>	No written mission; little shared understanding of what organization desires; vision not translated into concrete goals. If strategic plan exists, it is not used. Board provides little direction. Membership of board has limited diversity. Poor attendance at meetings.	Many staff and board positions are unfilled; high turnover and absenteeism. Organization runs day-to-day, no short or long term planning. Only addresses HR needs when they cannot be ignored. Focused purely on social impact, reluctant to change. No marketing or PR. Planning occurs on an ad hoc basis. Gifts and grants deposited and acknowledged, bills paid with supporting documentation. Organization addresses legal issues when they arise. No systems for tracking clients, volunteer program outcomes or financial information.	Limited measurement and tracking of performance, most evaluation based on anecdotal evidence. No social impact measurement. Few external performance comparisons made, performance data rarely used to improve organization. Core programs and services vaguely defined and lack clear alignment with mission and goals; programs seem scattered and unrelated to each other. No assessment of possibility of scaling up existing programs. No assessment of gaps in ability of current program to meet recipient needs; limited ability to create new programs, new programs created largely in response to funding availability.	No or limited financial planning, budget developed but not monitored. Weak fund-raising skills and lack of expertise. No internal revenue generation activities. Highly dependent on a few funders, largely of the same type.	Minimal knowledge and understanding of other players and alternative models in program area. Limited use of partnerships or alliances with public sector, nonprofit or for profit entities. Not recognized in community, few community members or other nonprofits involved in the organization. Planning occurs on an ad hoc basis.
Capacity Rating	LEADERSHIP DEVELOPMENT	ORGANIZATIONAL DEVELOPMENT	PROGRAMS/SERVICES	FUNDING	COMMUNITY ENGAGEMENT
<b>BASIC CAPACITY</b>	Some expression of organization's purpose, but lacks clarity; not used to direct actions or set priorities. Some effort to develop a strategic plan. Board provides occasional direction. Membership has some diversity but few represented constituencies.	Most critical positions are filled; limited turnover and absenteeism. Some ability to develop operational plan, but not linked to strategic planning. Some ability to develop HR plan but not linked to strategic planning. Focused on social impact with some awareness of cost-effectiveness. Understands implications and impact of change. Takes opportunities to market as they occur. Planning done regularly with collected data. Finances are transparent and tracked to approved budget. Legal support resources are readily available. Electronic data bases in a few areas, not user-friendly.	Performance partially measured and progress partially tracked; collects data but does not use an externally validated social impact measurement. Some effort to benchmark activities and outcomes, internal performance data used occasionally. Most programs and services well defined and can be linked with mission and goals. Program offerings may be somewhat scattered and not fully integrated into a clear strategy. Limited assessment of possibility of scaling up existing programs. Limited assessment of gaps in ability to meet recipient needs; some ability to modify existing programs and create new programs.	Limited financial plans, ad hoc updates, budget used as operational tool. Main fund-raising needs covered by some combination of internal skills and expertise and access to external resources.	Basic knowledge of players and alternative models; limited ability to adapt behavior based on understanding. Early stages of building relationships and collaborating. Somewhat recognized, generally regarded as positive, some community members constructively engaged.

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Capacity Rating	LEADERSHIP DEVELOPMENT	ORGANIZATIONAL DEVELOPMENT	PROGRAMS/SERVICES	FUNDING	COMMUNITY ENGAGEMENT
<b>MODERATE CAPACITY</b>	Clear expression of organization's reason for existence that reflects its values and purpose, often referred to and used to direct actions and priorities. Ability to develop a strategic plan and uses it to guide management decisions. Board provides direction, fully informed; full participant in major decisions. Good diversity in fields of practice and constituencies. Purposeful meetings that are well-planned.	Positions are almost all filled; few turnover or attendance problems. Ability to develop realistic operational plan linked to strategic planning activities and used to guide operations. Ability to develop concrete HR plan linked to strategic planning. Sees financial aspects as essential part of organization's impact, looks for better ways to use resources; takes action to overcome resistance to change. Seeks opportunities to market programs. Regular planning with collected data to support planning effort. Formal internal controls and annual audits. Legal support is available and consulted. Data base and management reporting used in most areas.	Performance measured and tracked in multiple ways several times a year; multiple performance indicators, social impact measured. Comprehensive benchmarking used by staff, awareness of how activities rate against benchmarks, making adjustments as indicated. Core programs and services well defined and aligned with mission and goals; program offerings fit together well as part of clear strategy. Occasional assessment of possibility of scaling up existing programs, and, when appropriate, action taken.	Solid financial plans, regularly updated; budget integrated into operations; performance to budget monitored regularly. Regular fund-raising needs adequately covered by well-developed internal fund-raising skills. Some proven internal revenue generation activities and skills; fund-raising distracts from programmatic work.	Solid knowledge of players and alternative models; good ability to adapt behavior. Effectively build and leverage key relationships with relevant parties. Organization reasonably well known in community, perceived as open and responsive to community needs. Members of larger community constructively involved.
Capacity Rating	LEADERSHIP DEVELOPMENT	ORGANIZATIONAL DEVELOPMENT	PROGRAMS/SERVICES	FUNDING	COMMUNITY ENGAGEMENT
<b>HIGH CAPACITY</b>	Clear expression of organization's reason for existence; clear and compelling understanding of what organization aspires to achieve. Ability to devise and regularly update strategic plan and use it to guide decisions. Board is highly engaged and committed and provides direction, support and accountability. Excellent communication. Membership has broad variety of fields of practice and expertise, outstanding commitment, good attendance and working committees.	Positions are fully staffed, no turnover or attendance problems. Develops concrete operational plan that is efficient and tightly linked to strategic planning. HR plan is concrete and realistic, tightly linked to strategic plan. Organization succeeds to meet social impact and financial efficiency. Communicates need for change and aligns organization to support change. Actively promotes organization. Planning done regularly; formal systems for data collection to support planning. Robust systems and controls governing financial operations. Well-developed legal infrastructure, access to additional expertise when needed, regular review of risk management and adjustment of insurance. Comprehensive data base, widely used.	Integrated system for continual measure of key performance indicators, including social, fiscal, and organizational impact; social impact measured based on longitudinal studies with control groups and third-party experts. Well defined programs/services fully aligned with mission and goals; program offerings are clearly linked to one another and overall strategy. Frequent assessments for scaling up existing programs with action taken when appropriate. Efficiently and effectively able to grow existing programs to meet needs of potential service recipients in local area or other jurisdictions. Assessment of gaps in existing programs to meet recipient needs and adjustments made. Ability to create innovative programs to meet needs. Continuously developing new ideas.	Solid financial plans, continuously updated; budget integrated into full operations. Performance to budget closely and regularly monitored. Highly developed internal fund raising skills and expertise. Significant internal revenue generation, experienced and skilled revenue generation. Revenue generating activities support and do not distract from social impact focus.	Built leveraged and maintained strong, high-impact relationships with variety of relevant parties, including all levels of government. Relationships deeply anchored in stable, long term, mutually beneficial collaboration. Widely known within larger community and perceived as efficient and effective. Many members of the community, including prominent members, are actively involved with the organization.

## Assessing Organizational Capacity

In the dynamic environment that surrounds faith-based and community organizations, it is incumbent upon these agencies to adopt some of the capacity building skills that were formerly the purview of the private for-profit sector. To that end, they need to embrace an assessment process that will portray a true picture of the organization, its strengths and weaknesses, and create a palette from which the organization can realistically select and direct its future.

The assessment grid or tool found in this attachment is being used by the VDSS Office of Community and Faith-Based Partnerships to help organizations measure their current capacity and gain a true picture of their strengths and areas for improvement. This tool was adapted from a publication called *Effective Capacity Building in Nonprofit Organizations* that was prepared for Venture Philanthropy Partners (VPP) by McKinsey and Company. The entire report and capacity assessment grid, as well as additional capacity building resources can be found at the VPP website: <http://venturephilanthropypartners.org/learning/reports/capacity/capacity.html>

In order to effectively use the grid, the survey administrators may wish to utilize the following general guidelines:

- Decide the point(s) in time to be assessed. For example, beginning of this year, three years ago or other significant time frame. You could also choose to assess the organization at two different points in time, in order to measure changes in capacity.
- Select the people with whom to assess the organization; these can include nonprofit staff members, board members, volunteers or other external parties. Ideally, the “assessors” should have a good knowledge of the organization for points in time chosen for the assessment. Drawing out different views can be a valuable discussion starter within an organization.
- Assessors should be asked to rate the organization on each element of capacity by selecting the text that best describes the organization’s performance during the chosen assessment period. Highlighting the most applicable descriptions may be helpful. If evaluating more than one period in time, it is important to indicate the date or time period on the form.
- Assessors should keep in mind that the grid is not a scientific tool and it can be difficult to quantify aspects of capacity. The descriptive text under each element in the grid is not meant to be exact, but simply a general indication of the organization’s level of capacity.